

1 Joseph M. Alioto
2 ALIOTO LAW FIRM
3 One Embarcadero Center
4 Suite 4000
5 San Francisco, CA 94111-3607
6 Telephone : (415) 434-8900

7 Daniel R. Shulman
8 Terry M. Walcott
9 SHULMAN, WALCOTT & SHULMAN, P.A.
10 121 Franklin Avenue
11 Minneapolis, MN 55404
12 Telephone : (612) 874-2909

13 John H. Boone
14 LAW OFFICE OF JOHN H. BOONE
15 One Embarcadero Center
16 Fortieth Floor
17 San Francisco, CA 94111
18 Telephone : (415) 434-1133

19 Thomas P. Bleau
20 BLEAU, FOX & ASSOCIATES, A.P.C.
21 3575 Cahuenga Blvd., West, Suite 580
22 Los Angeles, CA 90068
23 Telephone : (323) 874-8613

24 Attorneys for Plaintiffs

25 UNITED STATES DISTRICT COURT
26 CENTRAL DISTRICT OF CALIFORNIA

27 FOUAD N. DAGHER; BISHARAT
28 ENTERPRISES, INC.; ALFRED
BUCZKOWSKI; ESEQUIEL DELGADO;
MAHWASH FARZANEH; NASSER EL-
RADI; G.G.&R. PETROLEUM, INC.; H.J.F.
INC.; KALECO, CO.; MIKE M. MADANI;
CARLOS MARQUEZ; SAMI MERHI;
EDGARDO R. PARUNGAO; PAUL E.
PETERSON; RON ABEL SERV. CENTER,
INC.; JERRY'S SHELL SERV. CENTER,
INC.; GULLERMO RAMIREZ; LEOPOLDO
RAMIREZ; NAZAR SHEIBANI; SITARA
MANAGEMENT CORPORATION; TINSEL
ENTERPRISES, INC.; QUANG TRUONG;
and STEVEN RAY VEZERIAN, LOS FELIZ
SHELL, INC., NASSIM HANNA,

Plaintiffs,

FILED
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CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
LOS ANGELES

99-06114 GHK JWJX
CASE NO:

COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF UNDER THE
ANTITRUST LAWS

JURY TRIAL DEMANDED

v.

SAUDI REFINING, INC.; TEXACO, INC.;
SHELL OIL COMPANY; MOTIVA
ENTERPRISES LLC; EQUILON
ENTERPRISES LLC; EQUIVA TRADING
COMPANY; and EQUIVA SERVICES LLC,

Defendants.

I

INTRODUCTION

1. Plaintiffs bring this action against defendants, Saudi Refining, Inc., Texaco, Inc., Shell Oil Company, Equilon Enterprises LLC, Motiva Enterprises LLC, Equiva Trading Company and Equiva Services LLC, for damages and injunctive relief caused by reason of defendants' violations of Section 1 of the Sherman Antitrust Act, 15 U.S.C. §1. Plaintiffs demand a trial by jury of all issues triable thereby, and for their complaint, allege as follows:

II

JURISDICTION

2. This Court has jurisdiction over plaintiffs' Sherman Act claims pursuant to Sections 4 and 16 of the Clayton Antitrust Act, 15 U.S.C. §§15 and 26, and 28 U.S.C. §1337.

III

PLAINTIFFS

3. The plaintiffs are the following individuals and entities, who operate or have operated the following Shell or Texaco branded marketing premises and franchises at the following locations:

<u>Plaintiff's Name</u>	<u>Station</u>	<u>Leased</u>	<u>Station Location</u>
	<u>Brand</u>	<u>Marketing</u>	
		<u>Premises</u>	
		<u>Yes/No</u>	
Fouad N. Dagher	Shell	Yes	Dagher Shell #2 916 Santa Anita Arcadia, CA 01006
Bisharat Enterprises, Inc.	Shell	Yes	Arcadia Shell Service 25 East Foothill Boulevard Arcadia, CA 91006
Alfred Buczkowski	Shell	Yes	Oakview Shell 905 North Ventura Avenue Oakview, CA 93022
Los Feliz Shell, Inc.	Shell	Yes	Los Feliz Shell, Inc. 3053 Los Feliz Boulevard Los Angeles, CA 90039
Nassim Hanna	Shell	Yes	Hanna Shell 1410 South Soto Street Los Angeles, CA 90023

1	Esequiel Delgado	Shell	Yes	Delgado Shell Service
2				4357 East Brooklyn Avenue
3				Los Angeles, CA 90022
4				
5	Nasser El-Radi	Shell	Yes	Delamo Shell
6				5910 Dell
7				Lakewood, CA 90713
8				
9	Carlos Marquez	Shell	Yes	Marquez Shell #12
10				2600 Pellissier Place
11				Industry, CA 91746
12				
13	Fouad N. Dagher	Shell	Yes	Dagher Shell #5
14				5533 East Washington Blvd.
15				Commerce, CA 90040
16				
17	Tinsal Enterprises,	Shell	Yes	N. Hill Shell
18	Inc.			16961 Devonshire Street
19				Granada Hills, CA 91344
20				
21	Fouad N. Dagher	Shell	Yes	Dagher Shell #10
22				1900 East Ceasar Chavez
23				Los Angeles, CA 90033
24				
25				
26				
27				
28				

1	Mahwash Farzaneh	Shell	Yes	Lawndale Shell
2				15808 South Inglewood
3				Lawndale, CA 90260
4				
5				
6	Fouad N. Dagher	Shell	Yes	Dagher Shell #4
7				2219 Garfield
8				Monterey Park, CA 91754
9				
10	Nasser El-Radi	Shell	Yes	Shell 4U
11				430 Petrogrande
12				Monterey Park, CA 91754
13				
14	Carlos Marquez	Shell	Yes	Marquez Shell #7
15				3701 East Valley Boulevard
16				West Covina, CA 91744
17				
18				
19	Nasser El-Radi	Shell	Yes	UR Shell
20				9305 East Firestone
21				Downey, CA 90241
22				
23				
24	G.G.&R	Shell	Yes	Holiday Shell Service
25	Petroleum, Inc.			800-M East Lugenia Avenue
26				Redlands, CA 92374
27				
28				

1	H.J.F. Inc.	Shell	Yes	Simi Shell Food Mart
2				1120 East Los Angeles Avenue
3				Simi Valley, CA 93065-2802
4				
5	Kaleco, Co.	Shell	Yes	Camarillo Shell
6				1604 Ventura Boulevard
7				Camarillo, CA 93010
8				
9	Mike M. Madani	Texaco	No	South Bay Texaco
10				1700 Artesia Boulevard
11				Redondo Beach, CA 90278
12	Quang Truong	Shell	Yes	Kathleen's Shell
13				4405 North Maine Avenue
14				Baldwin Park, CA 91706
15				
16	Fouad N. Dagher	Shell	Yes	Dagher Shell #13
17				8801 Lanewood
18				Downey, CA 90240
19				
20	Carlos Marquez	Shell	Yes	Marquez Shell #13
21				19910 Beach Boulevard
22				La Mirada, CA 90638
23				
24				
25				
26				
27				
28				

1	Sami Merhi	Shell	Yes	Del Amo Shell
2				20225 South Avalon
3				Carson, CA 90745
4				
5	Steven Ray	Shell	Yes	Steve's Shell Service
6	Vezerian			800 West Las Tunas Avenue
7				San Gabriel, CA 91776
8				
9	Guillermo	Shell	Yes	West Covina Shell
10	Ramirez			801 South Glendora Avenue
11				West Covina, CA 91790
12				
13				
14	Edgardo R.	Shell	Yes	Gardy's Shell Service
15	Parungao			7511 East Rosecrans Avenue
16				Paramount, CA 90723
17				
18	Fouad N. Dagher	Shell	Yes	Dagher Shell #9
19				631 North Garfield
20				Monterey Park, CA 91754
21				
22	Sitara Management	Shell	Yes	Ventura/Shoup Shell
23	Corporation			22330 Ventura Boulevard
24				Woodland Hills, CA 91364
25				
26				
27				
28				

1	Paul E. Peterson	Shell	Yes	West Torrance Shell
2				20805 South Anza Avenue
3				Torrance, CA 90503
4				
5	Ron Abel Serv.	Shell	Yes	Ron Abel's #2
6	Center, Inc.			21924 Devonshire Street
7				Chatsworth, CA 90311
8				
9	Jerry's Shell Serv.	Shell	Yes	Jerry's Shell
10	Center, Inc.			5161 Van Nuys Boulevard
11				Sherman Oaks, CA 91403
12				
13	Guillermo Ramirez	Shell	Yes	Ramirez Shell Autocare
14				12004 East Ramona Boulevard
15				El Monte, CA 91732
16	Leopoloo Ramirez	Shell	Yes	Ramirez Shell
17				3660 North Puente Avenue
18				Baldwin Park, CA 91706
19				
20	Nazar Sheibaini	Texaco	Yes	Camarillo Texaco
21				256 Carmen Drive
22				Camarillo, CA 93010
23				
24	Sitara Management	Shell	Yes	Camarillo/Tujunga Shell
25	Corporation			11339 Camarillo Street
26				North Hollywood, CA 91602
27				
28				

Tinsal Enterprises, Shell Yes Victoria Shell
Inc. 2440 South Victoria
Ventura, CA 93003

Fouad N. Dagher Shell Yes Dagher Shell #7
1401 South Garfield
Alhambra, CA 91803

4. Each individual plaintiff is a resident of the state of California and the Central District of California.

5. Each corporate plaintiff is organized, exists, and doing business under the laws of the state of California, with its principal place of business located in the Central District of California.

6. Each plaintiff who currently operates Shell branded marketing premises, at all times relevant herein, has been in a franchise relationship with Shell Oil Co. or its assignee Equilon Enterprises LLC, and since approximately January 1998 has purchased wholesale Shell branded gasoline from Equilon for resale to the general public.

7. Each plaintiff who currently operates Texaco branded marketing premises, at all times relevant herein, has been in a franchise relationship with Texaco, Inc. or its assignee Equilon Enterprises LLC, and since approximately January 1998 has purchased wholesale Texaco branded gasoline from Equilon for resale to the general public.

IV

DEFENDANTS

Saudi Refining, Inc.

8. Defendant SAUDI REFINING, INC. ("Saudi") is a limited liability corporation with its headquarters and principal place of business in Houston, Texas. It is a corporate affiliate of Saudi Aramco, the state-owned oil company of the Kingdom of Saudi Arabia, the principal member of OPEC, the international oil cartel.

9. Saudi is, and at all times relevant herein, has been directly or indirectly engaged in the business of exploring for and producing crude oil, transporting crude oil, and refining, transporting, storing, and marketing petroleum products, including gasoline, in the United States.

10. Saudi, as part of Saudi Aramco, is one of the world's leading oil and natural gas producers, with substantial manufacturing, transportation and marketing functions.

11. The Chairman of Saudi met with the Chairmen of Shell and Texaco for the purpose of forming and organizing a combination with Shell and Texaco in the refining and marketing of gasoline.

12. The Chairman of Saudi knew and understood that the effect of the agreement with Shell and Texaco would be the elimination of competition between and among Saudi, Texaco and Shell in the refining and marketing of gasoline in the United States.

13. The Chairman of Saudi knew and understood that the agreement with Shell and Texaco was an agreement among competitors to fix the price of gasoline sold to the independent Texaco and Shell retail dealers.

14. The Chairman of Saudi knew and understood that the agreement with Shell and Texaco was an agreement among competitors to divide markets in the United States.

15. The Chairman of Saudi knew and understood that the agreement with Shell and Texaco was an agreement among competitors to divide customers in the United States.

16. Saudi in fact combined with Shell and Texaco to fix the price of gasoline sold to the independent Shell and Texaco retail dealers in the United States.

17. Saudi in fact combined with Shell and Texaco to divide markets in the United States.

18. Saudi in fact combined with Shell and Texaco to divide customers in the United States.

Shell Oil Co.

19. Defendant SHELL OIL COMPANY ("Shell") is a corporation organized, existing, and doing business under the laws of the state of Delaware, with its headquarters and principal place of business at One Shell Plaza, Houston, Texas. Shell is a subsidiary of the Royal Dutch/Shell Group which is composed of Royal Dutch Petroleum Company (domiciled in the Netherlands) and The

1 "Shell" Transport and Trading Company (domiciled in the United Kingdom).

2 20. Shell is, and at all times relevant herein, has been engaged in the business of exploring
3 for and producing crude oil, transporting crude oil, and refining, transporting, storing, and
4 marketing petroleum products, including gasoline, in the state of California and throughout the
5 United States.

6 21. Shell, as part of Royal Dutch/Shell Group, is one of the world's leading oil and natural
7 gas producers, with substantial manufacturing, transportation and marketing functions.

8 22. The Chairman of Shell met with the Chairmen of Saudi and Texaco for the purpose of
9 forming and organizing a combination with Saudi and Texaco in the refining and marketing of
10 gasoline.

11 23. The Chairman of Shell knew and understood that the effect of the agreement with
12 Saudi and Texaco would be the elimination of competition between and among Saudi, Texaco and
13 Shell in the refining and marketing of gasoline in the United States.

14 24. The Chairman of Shell knew and understood that the agreement with Saudi and
15 Texaco was an agreement among competitors to fix the price of gasoline sold to the independent
16 Texaco and Shell retail dealers.

17 25. The Chairman of Shell knew and understood that the agreement with Saudi and
18 Texaco was an agreement among competitors to divide markets in the United States.

19 26. The Chairman of Shell knew and understood that the agreement with Saudi and
20 Texaco was an agreement among competitors to divide customers in the United States.

21 27. Shell in fact combined with Saudi and Texaco to fix the price of gasoline sold to the
22 independent Shell and Texaco retail dealers in the United States.

23 28. Shell in fact combined with Saudi and Texaco to divide markets in the United States.

24 29. Shell in fact combined with Saudi and Texaco to divide customers in the United
25 States.

26 **Texaco, Inc.**

27 30. Defendant, TEXACO, INC. ("Texaco") is a corporation organized, existing, and
28 doing business under the laws of the state of Delaware, with its headquarters and principal place of

business at 2000 Westchester Avenue, White Plains, New York.

31. Texaco is, and at all times relevant herein, has been engaged in the business of exploring for and producing crude oil, transporting crude oil, and refining, transporting, storing, and marketing petroleum products, including gasoline, in the State of California and throughout the United States.

32. Texaco is one of the world's leading oil and natural gas producers, with substantial manufacturing, transportation and marketing functions.

33. The Chairman of Texaco met with the Chairmen of Saudi and Shell for the purpose of forming and organizing a combination with Saudi and Texaco in the refining and marketing of gasoline.

34. The Chairman of Texaco knew and understood that the effect of the agreement with Saudi and Shell would be the elimination of competition between and among Saudi, Texaco and Shell in the refining and marketing of gasoline in the United States.

35. The Chairman of Texaco knew and understood that the agreement with Saudi and Shell was an agreement among competitors to fix the price of gasoline sold to the independent Texaco and Shell retail dealers.

36. The Chairman of Texaco knew and understood that the agreement with Saudi and Shell was an agreement among competitors to divide markets in the United States.

37. The Chairman of Texaco knew and understood that the agreement with Saudi and Shell was an agreement among competitors to divide customers in the United States.

38. Texaco in fact combined with Saudi and Shell to fix the price of gasoline sold to the independent Shell and Texaco retail dealers in the United States.

39. Texaco in fact combined with Saudi and Shell to divide markets in the United States.

40. Texaco in fact combined with Saudi and Shell to divide customers in the United States.

Equilon Enterprises LLC

41. Defendant EQUILON ENTERPRISES LLC ("Equilon") is a limited liability corporation with its headquarters and principal place of business in Houston, Texas.

1 42. Equilon is a combination between Texaco and Shell that combines their western and
2 mid-western refining, transportation, terminal (storage), and marketing operations and assets.
3 Shell owns 56 percent of Equilon, and Texaco owns the other 44 percent.

4 43. Equilon began operating during January 1998. Since that time, it has been in the
5 business of refining, transporting, storing, and marketing petroleum products, including gasoline,
6 in the state of California and other western and mid-western states.

7 44. Equilon refines and markets gasoline and other petroleum products under both the
8 Shell and Texaco brand names in all or parts of 32 states, selling products to 9,002 Shell and
9 Texaco retail outlets.

10 45. Equilon is the fourth largest retail gasoline marketer and the fourth largest refiner in
11 the United States.

12 46. Equilon's annual gross revenue is approximately \$22 billion.

13 47. Equilon is number one in market share in Oregon, Arizona, Nebraska, Oklahoma,
14 Missouri, Arkansas and Kentucky. Equilon is number two in market share in Alaska, Hawaii,
15 California, Nevada, Idaho, Wyoming, Colorado, New Mexico, Indiana and Illinois.

16 48. Equilon has seven refineries, refining approximately 846,000 barrels per day. Equilon
17 owns 76 terminals for crude oil and refined products in the United States.

18 49. Equilon owns an interest, with its competitors, in 45,600 miles of pipeline throughout
19 the United States.

20 50. Equilon is a combination, in the form of a trust or otherwise, used by Shell and Texaco
21 to fix the price of gasoline sold to the independent Shell and Texaco retail dealers in the western
22 and midwestern states of the United States.

23 **Motiva Enterprises LLC**

24 51. Defendant MOTIVA ENTERPRISES LLC ("Motiva") is a limited liability corporation
25 with its headquarters and principal place of business in Houston, Texas.

26 52. Motiva is a combination between Texaco, Saudi and Shell that combines their eastern
27 United States and Gulf Coast refining, transportation, terminal (storage), and marketing operations
28 and assets. Shell owns 35 percent of Motiva, and Texaco and Saudi each own 32.5 percent.

53. Motiva began operations during July 1998. Since that time, Motiva has been in the business of refining, transporting, storing, and marketing petroleum products, including gasoline, in the Gulf Coast and eastern United States.

54. Motiva refines and markets gasoline under the Shell and Texaco brand names in 27 states of the United States, selling products to 13,900 Shell and Texaco retail outlets.

55. Motiva is the second largest retail gasoline marketer and the eighth largest refiner in the United States.

56. Motiva's annual gross revenue is approximately \$11 billion.

57. Motiva is number one in market share in Texas, Louisiana, Alabama, Mississippi, Tennessee, Florida, North Carolina, Rhode Island, New Jersey, Maryland and Delaware.

58. Motiva is number two in market share in Georgia, Virginia, Pennsylvania, New Hampshire, Vermont, Massachusetts and Connecticut.

59. Motiva has four refineries, refining approximately 819,000 barrels per day. Motiva has 50 terminals for crude oil and refined products in the United States.

60. Motiva is a combination, in the form of a trust or otherwise, used by Saudi, Texaco and Shell to fix the price of gasoline sold to the independent Shell and Texaco retail dealers in the eastern and Gulf coast states of the United States.

Equiva Trading Co.

61. Defendant EQUIVA TRADING COMPANY ("Equiva Trading") is a general partnership headquartered in Houston, Texas, with offices in Universal City and Burbank, California; and Calgary, Canada.

62. Equilon and Motiva are the general partners in Equiva Trading, each having a 50 percent interest. Equiva Trading became operational in July 1998 and provides supply and trading services to Equilon, Motiva and affiliates of Texaco and Shell.

63. Equiva Trading was formed with the purpose and effect of eliminating competition in the supply and trading services to the Equilon and Motiva combines, and to the affiliates of Saudi, Texaco and Shell.

Equiva Services LLC

64. Defendant EQUIVA SERVICES LLC ("Equiva Services") is a limited liability corporation with its headquarters and principal place of business in Houston, Texas.

65. Equiva Services is 50 percent owned by Equilon and 50 percent owned by Motiva. It began operations in July 1998, and provides economic and business research, facilities management, financial, human resources, information technology, legal, marketing, and safety, health and environmental services for Equilon and Motiva.

66. Equiva Services was formed with the purpose and effect of eliminating competition in services provided to the Equilon and Motiva combines, and to the affiliates of Saudi, Texaco and Shell.

V

CO-CONSPIRATORS

67. Plaintiffs are informed and believe that persons whose identities are at this time unknown have engaged with defendants in the violations alleged herein. Plaintiffs may at a later time amend this complaint to add said unknown co-conspirators as defendants when and if they become known.

VI

THE SHELL/TEXACO/SAUDI COMBINATIONS

68. In or about October 1996, at a place and time unknown to plaintiffs, Saudi, Shell and Texaco met and entered into an agreement to raise, fix, peg, and stabilize gasoline prices.

69. In or about October 1996, Saudi, Shell and Texaco formed their combinations, combining their refining, transportation, terminal (storage), and marketing operations and assets in the United States.

70. On or about March 1997, Shell and Texaco entered into a Memorandum of Understanding regarding the formation of a combination to be known as "Westco," which later was renamed "Equilon." Westco was to be organized as a limited liability corporation into which Texaco and Shell would contribute their refining, transportation, terminal (storage), and marketing operations and assets in the western and mid-western United States (roughly corresponding with Petroleum Administration for Defense Districts ("PADDs") II, IV, and V).

1 71. On or about July 16, 1997, Shell, Texaco, and Saudi entered into a Memorandum of
2 Understanding regarding the formation of a combination to be called "Eastco," which later was
3 renamed "Motiva." Eastco was to be organized as a limited liability corporation into which Saudi,
4 Shell, and Texaco would contribute their refining, transportation, terminal (storage), and
5 marketing operations and assets in the Gulf Coast and eastern United States (roughly
6 corresponding to PADDs I and III).

7 72. At some point during or after January 1998, Texaco and Shell sold, transferred or
8 assigned to Equilon (formerly Westco) their interests in the marketing premises leased to plaintiffs,
9 as well as their interests in and obligations under each plaintiff's franchise agreements.

10 73. With regard to those plaintiffs that operate leased marketing premises, prior to and
11 after transferring those premises to Equilon, neither Shell nor Texaco made bona fide offers to sell,
12 transfer, or assign their interests in the premises to plaintiffs.

13 74. Equilon was formed for the purpose and with the effect of eliminating competition
14 between and among Saudi, Texaco and Shell in the refining and marketing of gasoline in the
15 United States.

16 75. One of the purposes of Shell and Texaco in forming Equilon was to fix prices between
17 themselves on gasoline sold to the independent Shell and Texaco branded dealers.

18 76. Shell and Texaco agreed that Equilon would fix the price at which gasoline is sold to
19 the independent Shell and Texaco branded dealers in the western and mid-western states of the
20 United States.

21 77. Equilon fixes the price at which gasoline is sold to the independent Shell and Texaco
22 branded dealers in the western and mid-western states of the United States.

23 78. Motiva was formed for the purpose and with the effect of eliminating competition
24 between and among Saudi, Texaco and Shell in the refining and marketing of gasoline in the
25 United States.

26 79. One of the purposes of Saudi, Shell and Texaco in forming Motiva was to fix prices
27 between and among themselves on gasoline sold to the independent Shell and Texaco branded
28 dealers.

80. Saudi, Shell and Texaco agreed that Motiva would fix the price at which gasoline is sold to the independent Shell and Texaco branded dealers in the Gulf and east coast states of the United States.

81. Motiva fixes the price at which gasoline is sold to the independent Shell and Texaco branded dealers in the Gulf and east coast states of the United States.

6 || VII

7 || **TRADE AND COMMERCE**

8 82. The exploration, production, transportation, storage, refining, distribution, marketing,
9 and selling of crude oil and gasoline is carried on in and substantially affects interstate and foreign
10 commerce, and that the combination and conspiracy among and between Saudi, Texaco, and Shell,
11 to fix the price of gasoline sold to retail dealers substantially affects, impedes, and unreasonably
12 restrains the free flow of crude oil and gasoline between and among the various states of the
13 United States, and foreign countries and the United States.

83. Entry into the refining and marketing of gasoline is difficult and would not be timely, likely, or sufficient to prevent anticompetitive effects in those markets.

84. By reason of the violations alleged herein, plaintiffs have paid and continue to pay higher wholesale prices for branded gasoline than they would in a free and competitive market.

85. Since the launch of the Equilon combination, wholesale and retail prices of gasoline sold in the state of California have increased substantially.

20 86. During that same period, total statewide refinery production and inventories of
21 gasoline rose compared to the same period in the previous year, refinery margins increased, and
22 crude oil prices decreased.

23 87. Beginning at least during the last two years, crude oil prices, when adjusted for
24 inflation, dropped to their lowest levels since the Great Depression of the 1930's.

25 88. During the time that crude oil prices were dropping to their lowest levels since the
26 Great Depression, Saudi, Shell and Texaco, by and through Equilon and Motiva, agreed to and did
27 in fact fix and raise the price of gasoline sold to the independent Shell and Texaco branded retail
28 dealers.

1 89. Before Equilon and Motiva were formed, Saudi, Texaco and Shell were actual
2 competitors.

3 90. Saudi, Shell and Texaco combined and conspired to form Motiva and Equilon as the
4 means to fix prices on gasoline sold to the independent Shell and Texaco retail dealers.

5 91. Saudi, Shell and Texaco combined and conspired to form Motiva and Equilon as the
6 means to divide markets and customers.

7 92. Saudi, Shell and Texaco did what they combined and conspired to do.

8 93. Motiva and Equilon combined, conspired and contracted to fix the price of gasoline
9 sold to the independent Texaco and Shell dealers in the United States.

10 94. Motiva and Equilon combined, conspired and contracted to divide the markets in the
11 United States.

12 95. Motiva and Equilon combined, conspired and contracted to divide customers in the
13 United States.

14 96. Motiva and Equilon, as a combination, do the following:

15 (a) Market gasoline in all 50 states of the United States under both the Shell and
16 Texaco brand names;

17 (b) Rank number one in national market share for branded gasoline, refining
18 capacity and lubricant sales;

19 (c) Have annual gross revenue of approximately \$33 billion;

20 (d) Provide product to 22,903 Texaco and Shell branded retail outlets;

21 (e) Own 11 refineries with a total refining capacity of 1,665,270 barrels per day;

22 (f) Own or have an interest in 126 crude oil and product terminals;

23 (g) Have ownership interests with their competitors in 45,600 miles of pipeline

24 97. By reason of the combination and conspiracy among Saudi, Texaco and Shell to fix
25 prices by and through their combinations, Equilon and Motiva, independent Shell and Texaco
26 branded retailers paid more for their gasoline than they would have in a free and competitive
27 market.

28 98. After acquiring plaintiffs' marketing premises and franchise agreements from Shell and

1 Texaco, Equilon also imposed substantial rent increases upon each plaintiff operating leased
2 marketing premises.

3 99. Furthermore, each plaintiff operating leased marketing premises has been deprived of
4 an opportunity to acquire such premises. Franchisee ownership of marketing premises, as opposed
5 to leasing such premises from a franchisor, substantially increases the value of a gasoline station
6 business because it gives the owner-franchisee the freedom to negotiate arms length franchise
7 agreements or supply contracts with any oil company franchisor on much better terms for the
8 franchisee.

9 100. By reason of the violations alleged herein, plaintiffs have sustained injury to their
10 businesses and property in amounts yet to be ascertained, but including the loss of sales, profits,
11 and business goodwill, increased rent, increased prices paid to defendants for gasoline and other
12 petroleum products, the value of their businesses as going concerns, the increased costs of doing
13 business, including any debts incurred.

14 101. Prior to the Equilon and other combinations outlined above, Shell and Texaco were
15 actual competitors.

16 VIII

17 SECTION 1 OF THE SHERMAN ACT

18 102. Each of the Equilon and Motiva combinations described hereinabove constitutes a
19 contract, combination or conspiracy by Saudi, Shell and Texaco to raise, fix, peg, or stabilize
20 prices in *per se* violation of Section 1 of the Sherman Antitrust Act, 15 U.S.C. Sec. 1.

21 103. The Equilon and Motiva combinations constitute contracts, combinations or
22 conspiracies between and among defendants, Saudi, Texaco, Shell, Equilon, Motiva, Equiva
23 Trading and Equiva Services, to raise, fix, peg, or stabilize prices in *per se* violation of Section 1 of
24 the Sherman Antitrust Act, 15 U.S.C. Section 1.

25 104. Each Chairman of Saudi, Texaco and Shell knew of and approved of the price fixing
26 agreement.

27 105. The Equilon and Motiva combinations constitute contracts, combinations or
28 conspiracies between and among defendants, Saudi, Texaco, Shell, Equilon, Motiva, Equiva

1 Trading and Equiva Services, to divide markets in per se violation of Section 1 of the Sherman
2 Antitrust Act, 15 U.S.C. Section 1.

3 106. Each Chairman of Saudi, Texaco and Shell knew of and approved of the agreement
4 to divide markets.

5 107. The Equilon and Motiva combinations constitute contracts, combinations or
6 conspiracies between and among defendants, Saudi, Texaco, Shell, Equilon, Motiva, Equiva
7 Trading and Equiva Services, to divide customers in per se violation of Section 1 of the Sherman
8 Antitrust Act, 15 U.S.C. Section 1.

9 108. Each Chairman of Saudi, Texaco and Shell knew of and approved of the agreement
10 to divide customers.

11 109. The overall conduct of defendants described above also constitutes a contract,
12 combination or conspiracy to raise, fix, peg, or stabilize prices in *per se* violation of Section 1 of
13 the Sherman Antitrust Act, 15 U.S.C. Sec. 1.

14 **IX**

15 **PRAYER FOR RELIEF**

16 WHEREFORE, plaintiffs pray for relief as follows:

- 17 (a) that the jury find and this Court adjudge and decree that defendants have violated
18 Section 1 of the Sherman Antitrust Act, 15 U.S.C. Sec. 1;
- 19 (b) that plaintiffs recover actual damages as the jury shall find them to have sustained
20 and that the damages be trebled pursuant to Section 4 of the Clayton Act;
- 21 (c) that the Court issue a permanent injunction dissolving Equilon, Motiva, Equiva
22 Trading, and Equiva Services pursuant to Section 16 of the Clayton Act;
- 23 (d) that the Court issue a permanent injunction enjoining and prohibiting defendants
24 from contracting, combining, and conspiring to raise, fix, peg, or stabilize prices;
- 25 (e) that the Court issue a permanent injunction enjoining and prohibiting defendants
26 from contracting, combining, and conspiring to fix plaintiffs' rents at artificially high
27 and noncompetitive levels;
- 28 (f) that the Court issue a permanent injunction requiring defendants to allow any dealer

1 to rebrand, without any penalty;

2 (g) that the Court award plaintiffs their costs of suit herein, including reasonable
3 attorneys' fees pursuant to Section 4 of the Clayton Act; and

4 (h) that the Court award plaintiffs such other and further relief as it shall deem just and
5 appropriate.
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8 Dated: June 14, 1999

ALIOTO LAW FIRM
SHULMAN, WALCOTT & SHULMAN, P.A.
LAW OFFICE OF JOHN H. BOONE
BLEAU, FOX & ASSOCIATES

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12 By: 
13 Joseph M. Alioto, Esq.
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17 **DEMAND FOR JURY**

18 NOTICE IS HEREBY GIVEN that the plaintiffs in the above-entitled action demand a trial
19 by jury in the above-entitled action.
20

21 Dated: June 14, 1999

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